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The CREDIT WORLD

The Official Organ of the NATIONAL RETAIL CREDIT ASSOCIATION



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VOL. XVII—No. 8

APRIL 1929





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June 18 - 19 - 20 - 21

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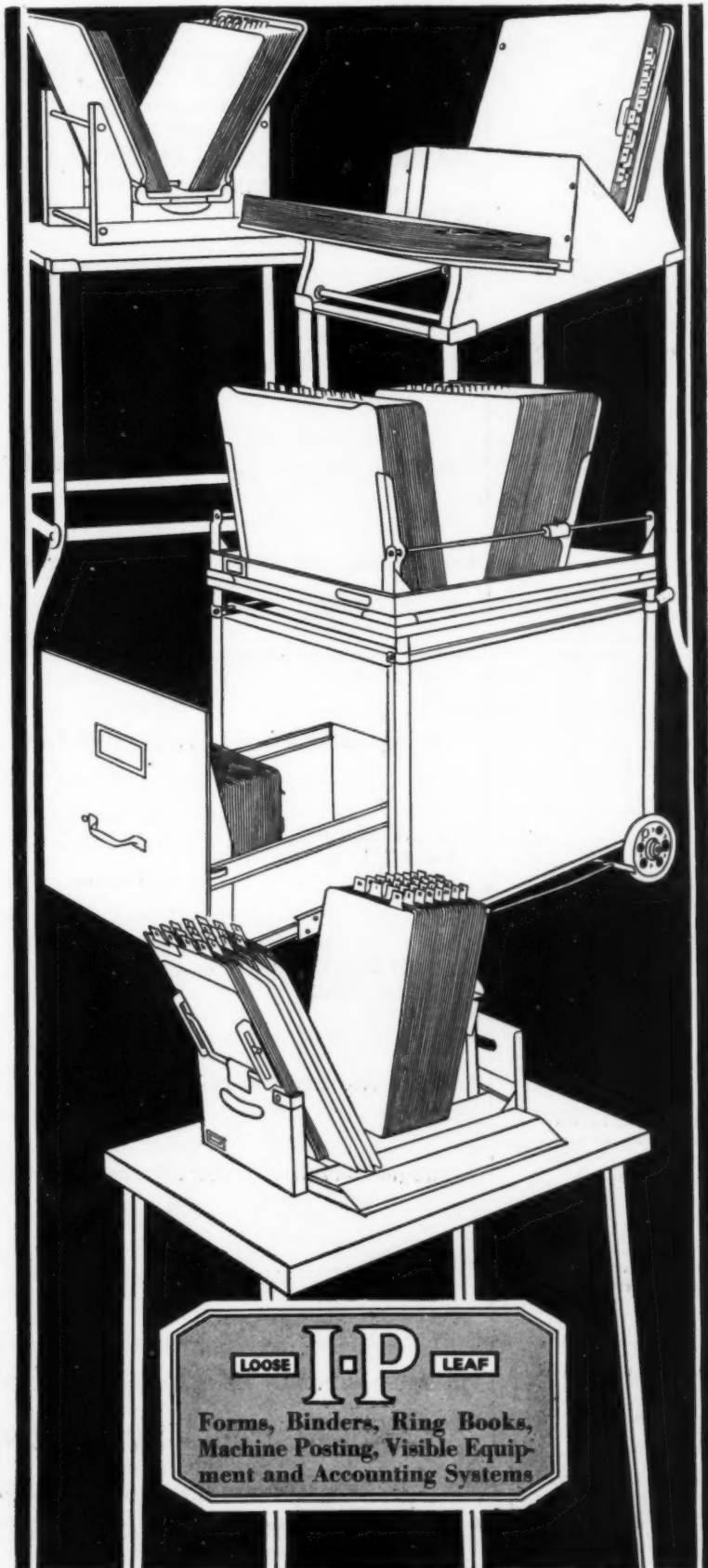
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MONTHLY

THE CREDIT WORLD

OFFICIAL MAGAZINE

OF THE

NATIONAL RETAIL CREDIT ASSOCIATION

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APRIL 1929

No 8

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PUBLISHED MONTHLY AT 1017 MORGAN ST., ST. LOUIS, MO.

BY

GENERAL PUBLISHING COMPANY

EDITORIAL OFFICE

606 EQUITABLE BLDG., ST. LOUIS, MO.

DAVID J. WOODLOCK, Editor

GUY H. HULSE, Asso. Editor

Back Issues: When available, at 25c each.

Binder: Handsome cloth binders, with the name of the magazine and special design beautifully embossed, holding a year's issue, are for sale to subscribers at cost—\$2.00 postpaid.

Education and Southern Hospitality

THOSE who attend the 17th Annual Convention of the National Retail Credit Association at Nashville, Tennessee, during week of June 17, will have an educational program combined with Southern Hospitality, which should make this our most outstanding Convention.

President J. R. Hewitt of Baltimore has worked night and day to arrange a business program out of the ordinary for educational features, and the Nashville Committee has been on the job every moment since our last Convention, arranging details for the comfort and entertainment of visitors with true Southern Hospitality.

For a combination of Business and Pleasure, a trip to our Nashville Convention will be hard to beat.

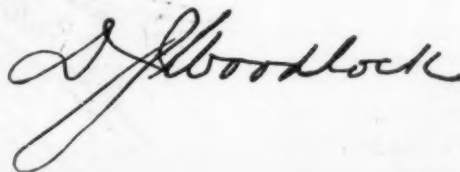
Matters of vital importance to the Retail Credit interests will be discussed and the vote of the corner store Credit Manager will be just as important as that of the Department Store.

Special care has been given to the entertainment of visiting ladies, so that members may be assured that they can sit in the business sessions with the knowledge their wives or daughters are not being neglected.

The reduced fare granted by the Railroads applies to the family as well as delegates. It provides a rate of one half the regular fare for the return trip. But those desiring to take advantage of this saving must ask for a Certificate for the National Retail Credit Association Convention when they purchase their tickets. All Railroad agents have them.

While the business sessions do not begin until Tuesday, June 18, the Hospitality begins the moment you arrive, and special entertainment features have been arranged for Monday, June 17. You are urged to reach Nashville not later than noon Monday.

Let us make this our best Convention. Rub shoulders and exchange thoughts with Credit Managers from all parts of the country, and take advantage of the entertainment features prepared by the Nashville Retail Credit Managers and Business Men.



Common Sense and Credit

By E. W. CORNELIUS, Executive Secretary
The Wisconsin Retailers Association

I HAVE had considerable experience of late with credit conditions. I have been called upon by a number of our members to attempt collections of large amounts that have run long past the time when they should have been entirely cleared up and I believe would have been entirely cleared up had the dealer been kind, but persistent and prompt in connection with the payments.

In all of the cases called upon I have found a willingness to pay. The customer had gotten himself into a financial muddle that he could not climb out of. It was a question of paying the fellow who pressed him most and letting the other fellow wait, and in most cases the other fellow did wait and will keep on waiting forever. It is human to want nice things. It is natural to find the sources of getting nice things, of figuring out the ways and means of financing the things wanted. If a man and his wife and family, if he has one, has long had a passion for a radio, an automobile, or some other hobby, he hungers for it, and his life is not complete without it. Every time he has ten dollars in cash in his hands they itch for that nice thing, and they itch badly. He reviews the past and thinks to himself, "Well, I can't afford it. I have those bills to pay, but they can wait. I've wanted things before and got them, and somehow the good Lord took care of me. If I can't make the grind they can always take it back. Well here goes." And then, dear merchant, the ten spot goes to place that new radio in the house. Your customer has his heart's desire. He is happy. His station in life is raised. His family is happier; they look at life in a different way; they become brighter and better citizens, and more educated, and you have performed a real vital definite public service as a citizen by raising the standard of that customer's life. You have become a party to local and national charity.

But—now listen, Mr. Merchant! Just how much charity can you afford?

Have you met your obligations to charity? Have you gone the limit in giving, that others might find happiness in this short space? If so, can you afford to crowd in another twenty or thirty dollars to charity? Can you afford to wait another five years on dribblets because your fine and truly conscientious customer must also pay the radio man?

I have had my own personal experiences with credit. I have for some time been on a definite budget schedule, permitting me the enjoyment of what luxuries I can afford, natural comforts, and some savings for the rainy day. There have been times when I have felt the human urge of desire; and there have been times when desire has won the struggle against duty. There have been times when I have been seemingly hopelessly tied up, and I have had the desire to declare myself bankrupt and start anew with a clean slate, letting the other fellow worry about what I owed him. But born within my heart is that spirit that forces me to account for my every action, to pay every debt, to leave this world on "my day" with a clean slate and with joy in my heart as I go, that I have played square and have met every earthly obligation.

Now, here is the kind of merchants with whom I have dealt. One is the utility that serves me with light, gas and other comforts. The utility first of all exacts of me the sum of \$5 to protect them should I fail to pay my bill. Furthermore should I fail to pay they can at any moment turn off my service and make me wait good and plenty until they re-install it; so consequently I promptly pay my service bills.

Another drain on my treasury is the grocer or food distributor. Well, in my case, I want to stand right with him at all times. He is a known business man with whom I must always be in good standing. He is the fellow who cashes my checks, who fills my order and leaves it between the doors when I ex-



It was a question of paying the fellow who pressed him most.

pect to be real late. He can serve me in so many ways, and I am so anxious to stand highly in his eyes that I always pay him cash. I must admit, however, from some of the accounts I have been working on that such is not the case with all grocery customers.

One great suffering branch of charity workers is the medical profession. I for one would heartily endorse a standing civic fund for that great army of life savers who so often go through hours of hardship without pay and are so frequently misunderstood by those knowing absolutely nothing whatever about the true conditions. These noble men seem to live happily and comfortably in spite of their mountainous list of no-pay patients. For my part it would make me happy to see every physician become a millionaire, of course so long as I could prevent him from getting too great a portion of my funds. Now in paying the doctor, if I am particularly pinched at the time his straggling bill comes along I pass it over for future examination, next pay day. However if I feel a little down in the mouth when I am making out my checks, and feel that I may need my doctor before next pay day I always try to squeeze in a payment on account, so he will think I am at least conscientious and that he will get the balance if he waits long enough.

Now—comes that other great class of merchants—the men who make us happy; who help us cheat the doctors; who help us laugh and be merry twenty-seven days a month, and who only worry us for three days, when they present their bills, and who occasionally worry us an extra day by writing a nasty letter or sending a collector—the men who sell radios, automobiles, furniture, and other nice things that we love.

Of this group there is one class that knows their stuff and knows it well, and that group is the automobile men. Five days before your note is due you receive a notice with glaring red letters upon it reminding you of the date the note is due, and that it must be paid; monkey business will not be tolerated. It is a precise and business-like notice, and believe me if that note is not paid on the due date you receive a short spicy one that makes you shudder at your neglect and bawl

yourself out for having forgotten it. In proportion to the cost of the item and the consideration that many people who buy automobiles have only the down payment and no idea in the world where the rest of the money is coming from, the automobile finance companies have the lowest loss ratio, in comparison, of any trade. And more than that, the automobile industry politely tells you, "If you want us to finance your purchase of this car we shall be happy to do it for several hundred dollars extra." And we are glad to pay the extra dollars to get the car.

My regular practice in paying bills is to lay them out in the order of their importance. Now let me break in here a moment. Some debts such as coal, milk and others which are regular necessities, are more important to me than general expenses such as the radio man, and others who as a rule are willing to wait without impairing my general credit standing. The department stores of course with whom I wish to keep in good standing for a number of reasons comes high on the list. First of all comes rent, and right behind it, often sneaking in before it, comes the payment on the car. Why? Because of the red notices, and the positive assurance that they WILL have their money or the car, and wishing of course to keep the car they get their money, and they get it promptly, and they get preferred position. Now I go

through the bills, carrying the balance along on my check book stubs, until I arrive at the amount needed as a standing fund for incidental expenses, and perhaps unexpected small expenses. When I arrive at that point I very quietly and lovingly lay away my check book, and file any remaining bills payable for future reference when the treasury is again replenished.

The process I have described is, I believe, that of the average person, and the one which I went through month after month for several years, until time and experience taught me that the actual cash saving and the added happiness of complete ownership of an item, was a great thing, and led me to save so much each month for a certain definite purpose, rather than plunk the first ten dollars down for an article



Then, dear merchant, the ten spot goes to place that new radio in the house

Turn to page 25, please

The Modern Method of Shopping

By LEONARD BERRY

B. Gorman Company, Rochester, N. Y.

WHAT then is the modern method of shopping? Today, we are all, or practically all, paying for our home on time, our furniture by weekly or monthly payments, the automobile, radio, vacuum cleaner, sewing machine, etc. Credit is universal. It is the underlying base of the business structure. The Credit System enables the manufacturer to create an established market for his product. It makes it possible for the wholesaler to build an efficient distribution system.

Its effects reach out to the consumer who looks to the retailer for the supplying of his wants. By *Installment* credit, something modern in its scope, we are enabled to satisfy present wants by mortgaging salary or wages yet unearned, paying graduated payments over a period of time. However, I am only asked to discuss the phase of credit which takes the form of the 30-day accommodation, the open account, and will endeavor to discuss the place of it in modern retailing, and more particularly from the angle of convenience to the customer and benefit to the store. I hope also to speak of the conception of the Credit Department as a vital factor in making the extension of credit an important part of independent store service as opposed to the tremendous competition of the cash and carry chains. Credit, of course, is not new. In fact it is very old.

We know rudimentary forms of retail credit existed very many years ago. But the tremendous increase in the use of the charge account is quite new. Ten years ago, the use of open account was very limited, in fact, not at all understood by the majority of people. It was a prerogative of the few rich or prominent people. Retail Credit, as we now know it today, is not very much

older. It is the increase in prosperity and the raising of our standards which has contributed to this change. Credit, properly controlled, and wisely extended, increases business and is a service the American public, long accustomed to improved methods, demands.

Our parents had very rigid ideas of the necessity of paying cash for everything. How often have I heard the plaintive statement, "Mother never had a charge account, she would not think of having anything which was not fully paid for, but I think it would be a convenience to me now. May I open one?"

I am not a moralist, but a Credit Granter, and can only carefully explain to such an applicant that Credit is a valuable instrument in modern life, and a good credit reputation is much to be desired. Here I would digress a moment, to say that I firmly believe that an account "well opened is half-collected," and we should

lose no opportunity to spread educational propaganda about Credit.

To come back, let me draw a simple picture of a worthy citizen, who waited hours in the rain, snow or what you may, to pay his taxes. Money clutched in one hand, heart filled with the propriety of his position, taxes due, cash to pay, and "Johnny-on-the-spot" to do the paying. Who does that now? The banks have extended their checking system until the person who has not a checking account is rare, and losing out on a great convenience. Ninety-five per cent of business done is done by check. New methods, new ideas. We simply draw an order on our bank for the amount, pay 2c postage and drop the envelope in the nearest mail box. Simple! Of course, a prerequisite to the success of this is that you have money in the bank!!

So with the buying of things which we need for



The worthy citizen who waited hours in the rain to pay his taxes

life and comfort. Do we need immediate money? Must we wait until we can come down to the store and count out our currency in order to possess an article? The transaction of charging is so absurdly simple. We say, "charge it," out we go with the goods or have them sent, and then we get a bill the first of the month following. The machinery "whirrs," and records are made, but the average customer knows nothing of this. What do we give when we obtain credit? We give the assurance that we will pay the bill when due. Our character, capital and capacity stand as our assurance of payment. It, therefore, behooves all of us to so build up our reputation and character that we may obtain this privilege. Isn't it, then, an aid in building up moral integrity?

Think for a moment of the multitude of business transactions done without a single cent of money passing at the time. Indeed our national prosperity is due largely to the manner we make a dollar do the work of several, in economic methods. We all know that the national wealth is not nearly enough to cover all indebtedness.

Retail or Consumer Credit is therefore a real factor in our lives as the final link in this impressive chain of economic distribution of goods.

Mr. Guy Hulse, of our National Association, comments, "Our national prosperity may be illustrated by a triangle, the sides of which are mass production and mass consumption, the base Credit, intelligently extended." May I stress the reliance placed on the base of any structure.

There is, however, another retailing force, a force so big and real that the tallest building in the world stands as a monument to its success. Who knew better than Credit Men the existence and success of chain retailing?

In the main, and for our purpose in analyzing the situation as particularly affecting Credit, there are two distinct types of merchandising methods. First, the great *cash* chain stores, and second, the *specialty* or *department* store.

Every one of you has felt the tentacles of the cash chain coming in and giving the independent severe competition and possibly some apprehension. Outstanding, of course, the Montgomery-Ward Company, Sears & Roebuck, Atlantic & Pacific grocery

chain, Woolworth, and many others. The situation has been well considered by the leading minds of the country and much has been said about it. For instance, Mr. A. Lincoln Filene, of Boston, just a few weeks ago spoke of the sharp line of demarcation which exists now and which will tend to be more pronounced in the future between such opposing retailing forces. He does not for a moment feel that there is any cause for alarm or for the independent to run panic-stricken from the field. Much to the contrary. He believes there is a large element in every community to whom distinction and prestige of merchandise plus courtesy and consideration plus extension of credit, will always play a large part in their selection of a shopping medium.

The cash chains base their appeal on price only relegating all other consideration to the background; a large turn-over, tremendous buying power, cheaper help and a strictly cash basis for business. On the other hand, we must, as "independents" or "specialties," establish lines of quality, build up a demand for articles of high prestige, in our higher price ranges, at the same time meeting price competition by group buying of smaller articles. Throughout our store, emphasizing "service," merchandise distinctive and exclusive, beautiful surroundings, courteous and well-trained sales people, delivery, telephone shopping service and "credit."

I think here is a very wonderful opportunity for the credit department of a specialty or department store, to enable his firm to meet the competition of the chain. Not enough to merely pass the charge, but to do it, smoothly, with graciousness, adding that indefinite charm which comes of courtesy and thought.

The medium of credit being the charge account, may I take a few moments to consider just what a charge account offers:

A. To the customer:

1. The privilege of purchasing present needs and paying later.
2. Obviating the necessity of carrying around sums of money subject to loss or theft.
3. Use of phone or mail to simplify shopping (well trained mail order and telephone shopping service) a feature of the service store.



Our prosperity is due largely to the manner we make a dollar do the work of several

4. Provides a simple record of purchase by period of salary apportionment.

5. Places the customer in a "preferred" position—

1, sales and special events; 2, style changes; 3, literature concerning house policy, etc.

6. Encourage friendship with sales people leading to buying habit, reliance on store for correct attire and accessories.

7. Affords an easy method of buying and comparing merchandise at home, returning if necessary without bother of cash refunds.

And to the Store What?

1. First and foremost, the charge customer spends on a conservative estimate, five times as much as the cash customer and although the charge transaction takes 154% more time to handle than a cash transaction, yet the store benefits greatly by the increased business.

2. It consolidates the purchasing power of the customer, very often, into one store. She begins to look on the store as her logical shopping home for merchandise. Store gains prestige, reputation, word of mouth advertising, and continuity of business.

3. Calls attention to errors of omission and commission in the store policy or personnel.

4. Provides a mailing list of almost 100% prospects for special event or other promotional literature.

A spirit of helpful co-operation should imbue every member of the store organization. We must strive to serve the customer acceptably. To add the quality of courtesy and consideration to every transaction.

Carrying out the idea of the Credit Department being a real factor in modern retailing, a business builder, a tremendous force in maintaining and obtaining a good charge account clientele, the machinery in rendering the charge account valuable to store and customer, we should from time to time initiate campaigns for new charge accounts, using, in two instances, the "John Service" to handle the work of writing the copy and sending out the letters. The results were gratifying. In the most recent campaign, we opened accounts for 22% of the entire list and did a business of \$20,336.04 in four months with those accounts, with the invitation still being accepted although six months have elapsed since we sent out the letters. May I say the appeal in these letters was

EXHIBIT "A"

	Per Cent 1925	Per Cent 1926	Per Cent 1927
Per Cent Net Cash Sales to Total Store Sales	28.91	27.79	27.47
Per Cent Net Charge Sales to Total Store Sales	64.79	66.02	66.52
Per Cent Cash Refunds to Total Store Returns	7.72	7.71	7.21
Per Cent to Cash Sales	4.05	4.39	4.19
Per Cent Charge Credits to Total Store Returns	86.99	87.28	87.07
Per Cent to Charge Sales	17.52	17.94	17.92
Cash Refunds to Total Store Returns, 7.72 per cent.			
Charge Credits to Total Store Returns 86.99 per cent.			
Of all returns 86.99 per cent are Charge Sales.			

wholly emotional not "reason why copy" the convenience angle stressed. Each letter bearing the signature of our president.

We are now experimenting with obtaining names from newspapers, of prominent people mentioned in various ways—such as, officers of companies, officers of fraternal organizations, people mentioned in connection with Y. M. C. A. Membership Drive, Chamber of Commerce functions, etc. These names are carefully checked through the Bureau and then a letter written, short, simple, again appealing to the emotional side of hu-

man nature, offering the convenience of an account and requesting their signature before purchasing to complete the records.

People's feelings—their emotions—are a big factor in doing business, and the wise merchant will play up to them. We are told that for every action we perform dictated by our reason, we do twenty through our emotions. We are important individuals when we pay monthly by check, we are "well off," "prosperous," and we like the store we trade at to think the same thing. In promotional work, we should use this appeal. If we analyze human nature, we will see the big advantage in opening charge accounts. A far larger volume of business can be gained and maintained—sales per individual will be larger. The wearing apparel business particularly is conducive to a charge business. A customer will not see price so much, as distinction, style, courteous attention, prestige of certain name on garment, if she can say "charge it" and thereby pay later. The value of charge accounts therefore is proved beyond doubt.

Now for another thing which I am sure appeals to all of us. How many of our accounts are alive? Do we cultivate them as we should, or do we simply open them and then do not concern ourselves about them again, thus losing all the advantage we have gained? We have discovered through a recent preliminary "customer control" analysis some interesting figures that show conclusively the big need for Credit Departments in reviving dormant charge accounts and renewing the appeal to our public. We found 27% inactive for one year, 58% inactive for six months. Doubtless you could show a similar condition in your own concerns. Here is real work for the Credit Executive. Those inactive accounts are drawn away from you. Why?

I am indebted to "John Service" for the figures

below of 100 accounts at the end of a year inactive, they can be classified as follows:

- 1 is dead or unaccounted for.
- 3 have moved to parts unknown.
- 9 buy elsewhere (influenced by price).
- 5 buy elsewhere (influenced by friends).
- 14 buy elsewhere (influenced by unadjusted grievances).
- 68 store indifference.

Earlier, I said that a charge account led to "friendship"; "friendship" leads to "habit." "Habit" of shopping in the store where the customer is cordially received and service wholeheartedly given, would be the best guarantee of a satisfied customer who would come back to you. What a field, then, for us to cultivate. Inactive accounts! Here, then, is a real value of having charge customers. Here, in your Accounts Receivable ledgers you have an opportunity denied the "chain" of cultivating "habit."

The same survey shows startling percentages in other ways. For instance, 56% do not buy shoes, 82% do not buy coats, etc. Customer Control is provided by having charge accounts to supply the data. Again, the Credit Department can function as a real asset to the store by letter writing to inactive or partly inactive accounts, showing that the department is watchful and solicitous for the customer to shop with us, not only in one department but in all.

So much for the new function of the Credit Department. Let me for a moment speak of the safeguard thrown up to protect the store from heavy loss by the liberal extension of the charge method of shopping and the solicitation of new accounts with safety.

Were I a Bureau Manager, I could not be more enthusiastic about the efficiency of our interlocking exchange of credit information. This "Colossus" of credit would fall unless its feet were firmly planted in the rock of Bureau information—giving service.

There is no need for me, addressing professional credit-grantors, to spend much time on describing Bu-

reau operation. You are all members of the National Association, and undoubtedly all subscribe to Bureau Service in your own community. I would say, however, that it would be impossible, no, not impossible, but disastrous to engage in any promotional work for new accounts without the credit information obtainable from the Bureau. In fact, we are only enabled to go after business on a charge basis by the existence of the efficient Bureau today. Credit is given to any applicant who can show responsibility and who has a

record of prompt payment in other stores. We must be able to get that record easily, and fully, not only one store, but all.

We can, as business builders, encourage accounts, knowing that the ever-watchful and vigilant Bureau will report any unusual circumstances. Our minimum of loss, speaking for all, is a monument to the protection thrown around us by the Bureau. Let me quote one example out of many. Just a few weeks ago, "Mrs. F." was buying quite heavily in Rochester. Owing a large sum in a department store, she opened an account with us, references were cleared, and warranted extension of credit. Purchases included a \$240.00 fur coat, two \$25.00 dresses and other items. Our Bureau Manager obtained information about the department store bill and began to get busy. Purchases being made were of a nature to excite suspicion. He telephoned me. We stopped delivery of the coat and dresses, just in time—they were ready for shipment.

Things are straightened out now in this case, a divorce is pending, but fortunately the husband, under pressure, has paid the bill. But the Bureau, in warning us, saved us from a very real probable loss of \$400.00.

Thus it is—I could cite many instances did time permit, but you all know as well as I do, the extreme value of the Bureau.

But—Let me plead, if it be necessary, for co-operation with the Bureau. If we all give our information, we can get it out. It is a reservoir. Draw and do

EXHIBIT "B"

Analysis of Two Hundred Representative Accounts by Occupation

Artist	1
Aviator	1
Baker	1
Banker	2
Barber	1
Boilermaker	1
Bookkeeper	10
Builder and Contractor	5
Box Maker	1
Buyer	1
Carpenter	1
Chauffeur	1
Chemist	4
Clerks	8
Dentist	1
Draughtsman	1
Druggist and Physician	5
Engineer	5
Farmer	2
Film Worker	1
Foreman	1
Janitor	1
Jeweler	1
Lawyer	6
Librarian	2
Machinist	1
Manager	18
Manufacturer	3
Merchant	1
Meter Reader	1
Minister	1
Musician	2
Nurse	11
Paper Cutter	1
Policeman	1
Printer	1
Psychologist	1
Real Estate	4
Retired	6
Salesman	9
Sash and Door Worker	1
Secretary	3
Shoemaker	1
Sheriff	1
Steam Fitter	2
Tailor	6
Teacher	23
Telephone Operator	2
Tinsmith	1
Toolmaker	2
Welfare Worker	1
Widow	10

not put in, the contents become stagnant and finally fail. Pour in and draw out, and you are maintaining the supply, fresh, up to the minute and vital. The Bureau stands as the machinery which makes the business of today possible.

We have seen the value of charge accounts, we have discussed the new phase of the Credit Department in promotion work, we have shown, to some degree, the importance of Credit Safeguard in the power of Bureau information. Let me for a moment speak of the Credit Executive. The new business builder, the expanding factor in retailing. The director and co-ordinator in this new phase of shopping. What manner of person is he? Recently in a CREDIT WORLD were given the qualifications of a Credit Executive. These we all know. Many and complex are the cases which come before him every day. They call for the exercise of every quality he can possess. Tact, adroitness in conducting an interview, keenness of mind, insight into conditions in his locality. To be able to see the final consummation of the sale, the money paid in, and to satisfy himself that it *will* be paid in the time limit set. All these, but above all, the new conception calls for the exercise of personality. To give of himself, to convey, crystallize and emphasize the ideal of service. In every contact, he can wield an incalculable influence for the store. He can make the customer feel that her interests are of paramount importance to the store, that she is sure of welcome, consideration and courtesy.

Credit—the great convenience, the privilege of the “known” customers, the asset of the store, bulwarked by the ever-watchful Bureau, administered by a wise Credit Manager, bringing increasing value, gaining new customers and holding old ones, creating intimacy between store and customer, leading to buying habit.

Thus is the base on which the specialty shop handling quality merchandise can rear an edifice of success.

The Credit Man of today must be cast in a different mould than his suspicious-minded predecessor of the immediate past. He plays the part of promoter, not obstructionist. He is the first contact made by the customer, in all probability, and the contact should be real, personal, and pleasing.

His surroundings should reflect the dignity of his position. His attitude open-minded and his decision just. When an account is opened, it is most important that the customer be impressed with the value of the service she is receiving. The interviewer represents probably the nearest approach to an executive of the company the customer will ever meet. Let him so conduct the interview that the customer will feel glad she has made the arrangement and yet to obtain all important information to guide him, now and later.

All this and more must the Credit Executive be and do, and be able to transmit the spirit of service to those who assist him in the interviewing of customers. Look well to your accounts receivable, reduce errors to a minimum, make your bills clear and easy to understand. See that the mechanics of your department function without jar, permit is given graciously, as a friendly action, and the transaction made courteously.

There is the ideal. Let us all aim at it, so that the credit granting function takes its rightful place in the store organization as the keystone of store success.

NASHVILLE IS READY, ARE YOU?

Send in your reservation now, for the best convention you have ever attended.

EXHIBIT "C"

Fraudulent or Illegal Purchases
12 Months ending January 31, 192802 per cent

Bad Debt Losses
12 Months ending January 31, 192827 per cent

Salary cost of item posted

	July 31, 1927	Jan. 31, 1928	July 31, 1928
L. S. A.	.017	.015	.017 .012

Salary cost of item posted and Credit Dept. Cost

	July 31, 1927	Jan. 31, 1928	July 31, 1928
L. S. A.	.033	.032	.034 .025

Per cent of Collections to Outstanding—1928

January	53.44	July	51.48
February	50.55	August	45.72
March	54.31	September	48.31
April	54.48	October	56.32
May	55.89	November	51.03
June	54.57	December	51.05

Statements Mailed to Customers

1924	107,705
1925	113,091
1926	130,775
1927	150,046
1928	153,755

BIG

LITTLE

TALL

SHORT

FAT

LEAN

OLD

YOUNG

BLONDES

BRUNETTES

MARRIED

SINGLE

PROFESSIONALS

AMATEURS

OLD TIMERS

NOVICES

LARGE BUSINESSES

SMALL SHOPS



EVERYONE who is ANYONE in the Retail Credit Business of the country will be in Nashville, Tennessee during the week of June 17.

WHY?

Because of the Convention of the National Retail Credit Association.

HOW ABOUT YOU?

Make reservations now and bring the family, they will enjoy every moment. Arrange to arrive early Monday June 17.

NATIONAL RETAIL CREDIT ASSOCIATION

EXECUTIVE OFFICES

ST. LOUIS, MISSOURI

Credit Department Forms

By JOHN C. HOLLGREN, Credit Manager
Cook Paint and Varnish Co., Kansas City, Mo.

THE Educational Committee of the Association endeavored to obtain information as to the various and commonly used forms of the Credit Departments used in the extension of credit accommodations. I am unable to make a speech, so if you will kindly indulge in the following data which I have been able to accumulate, some of us should possibly be helped by the different special forms and phrases which various firms use in conjunction with the workings of their Credit Departments. This information is not given as legally authoritative, but has been gathered from different sources which are reliable. I am not a lawyer, but these suggestions offered might be thought of, in case you desire to change the wording on some of the forms which you now have in use. The forms which we will take up for discussion are namely: Application for Credit, Letters of Guarantee, Property Statement, Financial Statement, Receipts and Note Forms.

APPLICATION FOR CREDIT

A great number of the downtown retail stores have a similar Credit Application which have various names, such as Application for Credit, Application for Charge Account, Acquaintance Blank, etc. The valuable data to be obtained on these reports would be the full name of the person making application for credit, including the middle initial; their residence, business employment, age, number of years in this city and term of residence in other cities if any for ten years back, together with the length of employment, their previous employment for possibly several years. The limit desired on account would naturally be based on the person's income, either from a salary, commission or investment—then would come the bank reference, whether the man has a saving account at the bank, a checking account or both, and in whose name it is carried. Then, of course, we would want the trade references and special precaution should be made in looking over the credit report after the trade references have been cleared as to the manner in which the various references had been selling this party—

for instance, one reference may be an open account, another would be a furniture or automobile account which would be sold on a secured basis—namely, on a chattel mortgage, and the building material firms would most generally sell the individual on the job—thereby looking to their lien rights in case the bill is not paid within the specified limit placed by law in the filing and notices of mechanic's lien. There is usually quite a difference in the way certain individuals will pay secured accounts, that is they will usually make their automobile installments very prompt and disregard open account terms of another store. The same

way for building and paint contractors—while a builder or contractor may have a line of credit of \$5,000 to \$10,000 with a building material firm, he might not be entitled to buy but very little on an open account basis. In an individual listing property on their Credit Application as to whether or not they own the same, you should find out in whose name the fee holder (who is actual owner on record) is recorded at the County Court House and the amount of the incumbrance against the same. In looking over a Property Report, which may be obtained from the Credit Bureau on a piece of property, one may find a first mortgage on the property which would be a straight five year loan, and that class of mortgage is based on 45% to 50% valuation

of the property. A building and loan is usually based on a 66 2-3% valuation. Of course, in rare cases, an individual may own property valued at \$25,000 and only have a \$3,000 mortgage against the property, so in judging the equity in real estate, it would be necessary to have a fair idea of what the real estate valuation actually is. Next, as to obtaining information that would assist you in tracing debtors who might possibly abscond, various firms use relatives of both the husband and wife. A debtor usually keeps in close contact with the insurance company with which he carries life insurance—that is a very good lead, and also the Lodge or Club to which he may belong. An individual joining a lodge, club or

TO THE MEMBERS OF THE NATIONAL RETAIL CREDIT ASSOCIATION

We find that the National Officers have a very full program for the convention that meets in Nashville next June. All the proceedings are going to be very instructive, and the National Officials have decided that it will be impossible to break in on the convention, so that Nashville can give the delegates an outing.

We want to do all we can to entertain the visiting delegates, so have decided to have the outing on Monday afternoon before the convention opens on Tuesday. Therefore we are requesting that all delegates arrange to arrive in Nashville on Sunday or Monday morning.

We also request that all, who can arrive in Nashville in time for the outing, advise us thirty days before the convention or as soon thereafter as convenient.

Yours truly,
JOHN R. HARRIS,
General Chairman.
R. H. POINDEXTER,
Asst. Gen. Chairman.

fraternity usually is a member of that same organization for a long period of time, but in obtaining this information you should have the particular chapter or lodge number and the state where the lodge is located, if you want to use that "dope" for tracing absconding debtors. Most firms have a clause in their application as to who may be authorized to buy and charge to the account of the debtor, and one firm particularly has the notation of attorney fees and interest on the accounts. I understand from reliable authority that attorney fees can be collected legally. And last but not least the Credit Application should be signed for future reference in case of fraud purchases, etc. In case of a man opening an account and the property standing in the wife's name, and you are relying upon the real estate as partial basis of credit, the wife should also sign the application blank or some other form of guarantee on the account, and in case the property is in the name of husband and wife, which is legally termed an estate by the entirety, both husband and wife should sign the application, or sign a letter of guarantee of the other's account.

LETTERS OF GUARANTEE

This is one of the important subjects and is one of the most valuable if used properly and legally. A letter of guarantee before an account had accrued would be a different one, that a letter of guarantee of an account which had become past due. All letters of guarantee should have a consideration and should be signed and the signature should be witnessed *and also be accepted by the firm extending credit.* In an ordinary case of a man signing a letter of guarantee and giving it to a firm, it is considered accepted unless there is a specific arrangement made that it will be necessary to investigate his credit references. If a letter of guarantee is sent through the mail it should be acknowledged by mail to the guarantor that you are extending credit under these conditions, which will constitute the acceptance. All letters of guarantee should have provisions which would bind the firm extending credit and also the guarantor. Most of them have the phrases of, waiving notice of acceptance of sales, of extensions of time if granted in the due course of business, and of default of payment; and a clause for the guarantor at some future time being able to revoke his original guarantee. The guarantor should be

requested to sign withdrawal and send the same to the firm granting the credit by registered mail. The case of a verbal guarantee comes up at various times, as to its legality and benefit. The old saying that a person's word is as good as his bond is only a moral standard and I understand is not legal in any sense of the word. I also understand that this is true with reference to a verbal guarantee before an account is opened or after the account is accrued. For reference in this matter kindly refer to the Missouri Statutes of 1919 and under the Statute of "Frauds," Section No. 2169, which reads to the effect that to charge any person upon any special promise to answer for debt,

default or miscarriage of another person must be in writing. It is up to the firm accepting the guarantee to prove in court that the signature on the letter of guarantee is the actual signature of the person of whom you take it to be. If the clause of extensions of time, and is granted in the due course of business and of default of payment is not mentioned in the letter of guarantee, and the credit granting firm decided to take a note from the debtor, I do not believe that the guarantor of the account could be held liable for the note. If you change the time limit or terms of a sale without the consent of guarantor, the letter of guarantee is void. The safest way in taking a note on an account that has a guarantee is to make the guarantor a co-signer with the customer.

PROPERTY OR FINANCIAL STATEMENTS

Just a very few firms use the financial or property statement and of those inquired, use the standard form adopted and recommended by the National Association of Credit Men "whole-

sale," and those firms do a wholesale business together with a retail business, and work the financial statement into their retail credits. In case of a man buying merchandise in large quantities, of course, this financial statement shows the party's assets and liabilities, together with the various real estate properties which he may own and you should find out in whose name the property stands, the valuation and incumbrances, so that you can obtain the information as to what their equity may be. A number of people in the real estate and building trade carry the property in the name of a straw party or corporation. This should be watched very closely and have that

TO THE WIVES AND FAMILIES OF DELEGATES:

Mrs. Poindexter Urges a Full Attendance of Ladies

We are looking forward to a large contingent of ladies when our men folk gather in Nashville to discuss Retail Credit Problems and are planning all sorts of features for your comfort and entertainment. In addition to plenty of tea and bridge and social opportunities to become better acquainted with each other, we are hoping to initiate you into the charming background of history which is the heritage of Nashville. There will be excursions to the Hermitage, where you may see how life was lived when Rachel Jackson presided over the home of Old Hickory, and of course a carefully planned pilgrimage through the historic Capitol, a trip to the Parthenon, and a chance to see the various educational and social institutions here. Many women will welcome the trip alone just to see beautiful Scarritt College, financed entirely by Southern Women of the Methodist Church, and one of the beauty spots of Nashville with its tower and arches, a poem in stone.

The weather will not be too warm for pleasure and we will see that those of you who wish rest and quiet may have plenty of time to spend as you please. We just want you to come and have the kind of visit that you will like best. Won't you make an effort to be here for the friendships and the good times we hope to have together?

Yours very sincerely,
MRS. R. H. POINDEXTER.

information if you want to hold these various real estate properties, in case it is necessary for legal action on the account. If property is in some other name than that of the signer of the statement, you should have a letter from parties in whose name it actually stands, stating the facts as they are. A financial or property statement should be returned to you through the mail and you should also retail the envelope with a certification that the financial statement was received in the mail, noting the date, etc. If credit is based on the financial statement you receive through the mail, and afterwards you find various discrepancies or facts that are not true, etc., you can then appeal to the United States Department of Justice and the signer of the financial statement is liable to have a residence at United States penitentiary.

RECEIPTS

Most firms have a regular standard form of receipt for open account claims, which forms are varied, but with the same results. A separate receipt should be given, or a notation be made on the receipt, of whether you received cash or check in this instance. A person may hold a cash receipt for an amount and if you took their check they might contend that they made two payments. One firm also lists clearing house number of the bank on their receipts, so they can identify the receipt and the check in case of a dispute.

In case of building material firms doing business it is very essential that they note on their receipt that a check has been tendered in payment and, that the payment of the check by the drawee, "which is the bank," shall constitute the payment or settlement, whichever it may be.

For the reason, that if you give a customer a receipt in full for a job not mentioning that a check has been received and the check is returned to you for some reason that the bank would not honor the same, and in the meantime the customer has turned the receipt over to the loan company and obtained money on the basis of the receipt, the building material firm will not have any lien rights on their customer's job. This has been proved and tried in the Missouri State Supreme Court, so that this matter should be watched very carefully.

NOTE FORMS

A good many firms use the straight negotiable or bankable note in making a settlement with a customer—others the notation that value received demand protest and notice of non-payment of this note are waived by both the makers and endorsers thereof. Other

firms take the note with the above notation and add to it a clause with reference to attorney fees in case the account is placed with an attorney for collection. Some of them ask for reasonable attorney fees and others will mention \$25.00 attorney fees plus 10% of the balance due on the note. It might be well to mention as to installment notes. Most installment notes bear the notation that if one of the installments become past due, the holder of the note has the option to declare the entire amount of the note payable at once. In taking a note or in extension of credit, you should always have in mind the statute of limitations. In reference to the age of an account—for instance, in the state of Missouri, an open account is five years and a note or contract is ten years, interest can be charged on open accounts from the date of maturity

until they are paid—the legal rate is 6 per cent. The contract rate of interest which can be charged under a contract or note is 8%. In Kansas an open account limitation is three years and a contract and note limitation is five years. The interest in Kansas is 8% on regular open accounts and under contract or note 10% per annum, and any higher rate of interest is usury, non-interest bearing notes are legal. I understand that the attorney fees cannot be collected in the state of Kansas, even if the note is signed in the state of Missouri—that is, if you intend filing suit in the state of Kansas. Of course, if you intend filing suit in Missouri under special circumstances it could, possibly, be collected. Further you should keep in mind the Justice of the Peace limitation, which is \$500.00 or under in Kansas City, Missouri, and everything over

that amount would be a Circuit Court suit, so in case of an \$800.00 account, it would be much better to obtain two \$400.00 notes than one \$800.00 note, or a series of notes can be made to mature at specific dates. Oftentimes in building material lines a customer will come in at the time you are ready to proceed legally with a lien and want to settle with a note. If the maturity date of the note is past the limitation date of your filing the lien, your lien rights have been invalidated. If the maturity of the note is before the lien time you can still protect yourself by the lien right basis. The value of a note is no greater than an open account, unless the account is disputed or the statute of limitations in reference to the age of the account is about to lapse.

Turn to page 26, please

Let us understand the Reduced Fare to the National Convention.

The railroads have granted us a special fare for all members and their families, who attend the Convention of the National Retail Credit Association at Nashville, Tennessee, June 18-19-20-21.

But, in order to obtain this reduced fare, which means one-half price on return trip, you must ask for Certificate when you purchase your one-way ticket. This Certificate must be deposited with the clerk at the registration desk, and when we have secured the required number, of two hundred and fifty Certificates, all tickets will be validated and you will be entitled to purchase return fare for one-half of the original fare.

Much embarrassment has been caused at previous Conventions by those who did not ask for this Certificate at time of purchase of original ticket. Now let us get this right. Ask for a Certificate when you buy your ticket and remember this means for yourself and family, and turn in this Certificate to the clerk at registration desk.

NATIONAL RETAIL
CREDIT ASSOCIATION.

Why Retailers Should be Interested in the Bankruptcy Act

By R. PRESTON SHEALEY, Washington Representative
with comment by J. R. HEWITT, President, National Retail Credit Association

THE overshadowing feature in bankruptcy in the House of Representatives at the short session of the 70th Congress, just ended, was the investigation of bankruptcy conditions in New York City. On March 2, 1929, Representative LaGuardia, of New York City, formally impeached United States Federal Judge Francis A. Winslow, of the Southern District of New York, on the floor of the House of Representatives (See Congressional Record, Vol. 70, No. 69, page 5129), and on the same day offered a resolution, H. R. 347, calling for Judge Winslow's impeachment. A committee of members of the House has been appointed and will meet early in April to consider the matter.

House Joint Resolution No. 431, calling for an investigation of Grover M. Muscovitz, United States District Judge for the Eastern District of New York, by a sub-committee of the House Judiciary Committee, was adopted on February 27, 1929, and the sub-committee consisting of Representatives Earl C. Michener, J. Banks Kurtz, C. Ellis Moore, Royal H. Weller and Henry St. George Tucker is now functioning.

Among recent bills introduced on the House side was one introduced by Representative Celler, of New York, H. R. 16347, on January 17, 1929, and providing that where the word "receiver" is used in the bankruptcy act "the same shall mean not an individual or person, but a national bank chartered to do business within the geographical confines of the United States district court where the petition in bankruptcy is filed." This is

Great interest has been manifested in the Bankruptcy Act and its operation, particularly since the disclosures concerning the bankruptcy conditions in New York City, but the retail credit manager, while always active and interested in the operation of this federal law, does not appear to be giving the subject the attention that he should. I wonder if it is realized that as bankruptcy exists today the retailer and the retail credit manager should give more thought and attention to it than perhaps any other line of business or profession, and I say this advisedly. Statistics give ample warrant for this statement. The annual report of the Attorney General of the United States, filed with Congress in December, 1928, and published as House Document No. 356, Second Session, Seventieth Congress, and a copy of which can be purchased from the Government Printing Office at Washington, D. C., shows that as of June 30, 1928, the end of the fiscal year, 47,193 voluntary cases and 6,399 involuntary cases, or an aggregate of 53,592 bankruptcy cases, had been disposed of during that year in the federal courts. Of this number 5,681 were classified as farmers; 21,632 as wage earners; 13,871 as merchants; 13,750 as manufacturers; 1,352 as professional and 9,681 of all other classes. In short, far more than one-half of all these cases were composed of individuals. Figures compiled within the last 30 days should indicate that the reverse is the case in Philadelphia, but an examination into bankruptcy conditions in Louisville, Ky., made since the first of the year, shows that approximately 75 per cent or even more of the bankruptcy cases filed in that district in 1928 were those of individuals. I am satisfied that the large majority of failures or insolvencies of retail merchants are settled and concluded without resort to the bankruptcy courts and that individuals, taking the country as a whole, are those largely resorting to the act. The problem is, therefore, one of special interest to the retail credit manager. Our Association has from time to time manifested interest in various phases of the Act, and with the incoming Congress it is our purpose to press for some salutary changes. I have asked our Washington Counsel, R. P. Shealey, who has a working knowledge of the Act and its operations and is familiar with the attitude of Congress toward bankruptcy matters through his close contact with legislation at Washington, to enumerate and explain some of the bankruptcy bills pending at the close of the Seventieth Congress. While all these bills died as a matter of law, control of the Seventy-first Congress is in the same hands and many of these measures will no doubt be reintroduced.

evidently intended to eliminate the appointment of individuals as receivers and confine receivers to trust departments of national banks.

Representative Tatgenhorst, of Cincinnati, in the closing days of the long session of the 70th Congress introduced H. R. 13373, which excludes building and loan associations from those who may be adjudged involuntary bankrupts. Mr. Tatgenhorst will not be a member of the 71st Congress, but in view of the fact that many building and loan associations have urged the adoption of this legislation, the bill will probably be introduced at the next Congress by some other Representative.

Two bills which are of particular interest to the retailers are H. R. 7015, introduced by Representative Sears of Nebraska, and H. R. 9838, introduced by Representative Andresen of Minnesota. The former provides that a discharge in bankruptcy shall not release a bankrupt from debts incurred "for necessities of life furnished him or his family for which he is indebted," and the latter provides that a person must owe debts to the extent of at least \$500 before being permitted to take advantage of the bankruptcy law. Many credit men are strongly of the opinion that the Sears bill should be passed and they also feel that the minimum of indebtedness fixed in the Andresen bill should be raised from \$500 to at least \$1,000. Both of the Representatives have been re-elected to the 71st Congress and in all probability these bills will be reintroduced.

For a number of years the

Why Retailers Should Be Interested in the Bankruptcy Act.

annual appropriation bills of the House of Representatives carried provisions making it mandatory upon the Department of Justice when it audited the accounts of marshals and clerks of the United States Federal Courts to also audit the records of receivers in bankruptcy, but this provision was dropped from the annual appropriations acts some four or five years ago. Since then it is understood that the Department of Justice accountants have, as a part of the auditing of marshals and clerks offices and upon receiving a request therefor from the United States District Judge, audited accounts of receivers as well, but there appears to be some sentiment in favor of having the former mandatory provision restored to the annual appropriation bills or else insert it as an amendment to the bankruptcy act.

Senator Brookhart introduced a bill, S. 2795, which provides an amendment of the Act to enable "the bankrupt, or any creditor, or any person interested in the estate of a bankrupt," after the adjudication of bankruptcy to file a certified copy of the decree of adjudication in the offices where the conveyances of real estate are recorded in every county where the bankrupt owns real estate. Under the present law the trustee is required to file such a decree within 30 days after the adjudication; however, this bill reduces the period to 20 days after his appointment, and provides also that the "filing, in any such county, of a certified copy of a decree of adjudication of bankruptcy shall have the same force and effect, and shall operate as notice to the same extent, as the filing of a conveyance of real estate in such county."

Senator Sheppard introduced a bill in the early days of the 70th Congress, S. 3079, which clarifies the language of Section 23-b of the Act, relating to the courts where suits by the trustee may be instituted.

Senator Sheppard also introduced two other bills relating to the Bankruptcy Act, S. 3080 and S. 4453, which seeks to amend Section 60-b, by the addition of the words "or permitted" following the word "required" in the first sentence of that portion of the Act. In this connection it may be of interest to call attention to the comment contained in Collier's on Bankruptcy, 1928 Cumulative Supplement, with reference to a similar amendment of Section 60-a by the Act of May 27, 1926:

"Section 60-a has now been changed by adding the words 'or permitted' at the end thereof, so that now the four months period does not begin to run until the date of recording if there is a law permitting the recording may not be required. In other words, if there is no recording statute, a preferential transfer in order to be protected, must have been recorded for

four months before the petition in bankruptcy was filed."

Senator Shipstead introduced S. 3200, which proposes the same amendment as that contained in Representative Andresen's bill, referred to above.

No hearings were held on any of the foregoing bankruptcy bills introduced in the Congress just ended, and no reports on the same were made by either House.

OUR 4-POINT COLLECTION SYSTEM

In the last issue of the Credit World we offered for sale, fifty-five of our original Four Point Collection Systems at \$2.00 each, simply enough to cover cost of wrapping, mailing, etc. The entire lot was sold the day after our magazine was placed in the mail, and we are unable to fill several hundred orders because our supply of the old systems was exhausted.

But what about our NEW Four Point Systems, put up in a filing cabinet so as to make sure of prompt follow-up? This is surely much more convenient and efficient than the old system, and we took them off our service list because of our desire not to compete with regularly established collection departments in our Local Associations.

But we have about 250 systems on hand, made to sell at \$20.00 per system. In order to close them out and go out of the collection business entirely, we will fill orders for these new systems at \$5.00 each.

The letters in these systems bear our new name and have been revised up to date. Thousands of testimonials from members testify to their collection force, but our Convention at Kansas City voted (and justly so) that we give our whole-hearted support to our local collection units, and we desire to immediately close out the stock on hand.

Members in cities where no local collection department is established will find them a real collection feature.

Order, subject to stock on hand, from the

NATIONAL RETAIL CREDIT
ASSOCIATION
St. Louis, Missouri

Nashville Will be Dressed in Prettiest Costume During June

Many Side Trips Planned

JUNE is the pettiest month of the year in Tennessee, ideal weather conditions always prevail, nature will join in adding to the charm of the Old South, that mingles with the new in Nashville and everything will join to make the 1929 convention of the National Retail Credit Association one of the most enjoyable ever staged by the organization. In addition, John R. Harris, president of the Nashville Retail Credit Men's Association; R. H. Poindexter, associate general chairman; H. L. Reagan, chairman of the entertainment committee; W. T. Follis, chairman of the reception committee; E. B. Thweatt, chairman of the program committee; E. C. Harlan, secretary of the Nashville organization, and others are planning to leave nothing undone to see that everyone enjoys every idle moment of the convention.



Smoky Mountain Park, near Knoxville, Tenn.

In addition the local committee announces that the Louisville & Nashville, Nashville, Chattanooga & St. Louis and Tennessee Central railroads are planning to arrange for a number of side trips for those who wish to spend a few days sight seeing in Tennessee following the sessions of the convention. No section has more allurements than Tennessee and those who wish to spend some extra time will find places of interest of all character, to attract them for a short time. These arrangements are being made in response to requests that have been received by the Nashville committee from some who find this the only opportunity they will have for a vacation.

Located in the great Middle Tennessee Basin, in the center of the state, Nashville is ideally situated to allow these side trips with little time lost and a wide range of variety. Nearby will be found historic and beautiful Chattanooga, the great Smoky Mountain

National Park area, Reelfoot Lake, Mammoth Cave, Muscle Shoals, the mountains and other regions that will prove interesting to those who wish to remain over for a few days and railroad officials will do all possible to aid those wishing to make side trips.

Tennessee boasts one of the best systems of public highways of any state in the South and those making the trip by auto will be enabled to reach any desired destination in the state without experiencing any trouble. Highways lead out of Nashville to all sections and they are hard surfaced and but little work is being done on any of the main thoroughfares, good road being provided where any work is being done.

SCENIC ROUTE SOUTH

The route from Nashville to Chattanooga is all over a historic route and either by rail or by road, leads through a section rich in history. Thirty miles south of Nashville both the railroad and Dixie Highway cross the famous battle field of Stones River, at Murfreesboro. Here was fought one of the bloodiest battles of the Civil War. The National Cemetery is four miles north of Murfreesboro and on the outskirts of the city the old fort is plainly visible just where the route crosses the river. From there on to Chattanooga is all historic and scenic routes. Through the Cumberland Mountains both go, the highway going over the mountain at Sewanee and Mont Eagle, while the railway goes through the mountain. The route of the Nashville, Chattanooga & St. Louis crosses the Tennessee River at Bridgeport, Alabama, and forms



View in Chickamauga Park, near Chattanooga

Nashville Will be Dressed in Prettiest Costume During June

one of the most impressive scenes to be found in America, with the river on one side and Lookout Mountain rising on the other. Lookout can be seen from the railroad, as can also Signal Mountain.

At Chattanooga one finds one of the most interesting and historic cities in the country. Here is Lookout Mountain, famous for history and scenery; Signal Mountain; Chickamauga Park, where the battle of Chickamauga was fought; Orchard's Knob, Missionary Ridge and other sections will form a most pleasing and beautiful trip. Splendid hotels are to be found on both Lookout and Signal Mountains.

Continuing from Chattanooga one can go over beautiful scenic routes to Knoxville, another interesting Tennessee city. Here is located the University of Tennessee, and the beginning of the Smoky Mountain section. The Great Smoky Mountain National Park is open the year 'round and Knoxville is doing everything possible to aid in making this natural beauty spot one of the foremost of the country. Splendid hotel accommodations and rustic cabins are to be found where one can spend time in rest and pleasure, fishing and other sports.



Old Colonial Home in Nashville

East Tennessee is rapidly becoming an industrial empire. At Johnson City and Elizabethton are located the plants of the American Benberg Company and the American Glanstoff Corporation, magnificent industrial developments. At Kingsport is the center of another group of industries including the Eastman Kodak Co., the Kingsport Press, one of the largest printing plants in the United States, and where the entire process from making paper from wood pulp to the finished book is carried out in one gigantic undertaking. Other plants are to be found here. In addition this section is close to the famous resort of Asheville, North Carolina.

MUSCLE SHOALS

A short distance south of Nashville, in Alabama, just across the state line, is to be found the famous and much discussed Muscle Shoals electric development and nitrate plant. This was erected by the government at a cost of many millions of dollars and is a never ceasing point of interest to the people of the United States. Arrangements will be made for those caring to visit this section and see the famous Wilson Dam and the development there that has caused the government so much trouble and congress many hours of debate and discussion.

MAMMOTH CAVE AND REELFOOT LAKE

Between Nashville and Louisville, Kentucky, is to be found one of Nature's greatest wonders, Mammoth Cave. This famous subterranean cavern, with its brilliant chambers, underground streams and other features, is a never ceasing wonder to all who visit this spot and should be seen while on the trip to Nashville.

Reelfoot Lake, famous for its hunting and fishing, is another spot that should be seen if possible. It is located in West Tennessee and was formed by an earthquake, the backwaters from the Mississippi River feeding it with water the year 'round. Its charred old trees that have remained in the water since the formation of the lake years ago, the rustic appearance of the country surrounding, the abundance of game fish and other features make it well worth a trip.

Memphis, the famous West Tennessee metropolis, is another city that should interest many who attend the Credit Men's Convention. Located on the banks of the Mississippi River, it is one of the oldest and best known cities in the South and will furnish opportunity for pleasure and enjoyment.

With the magnolias in bloom, flowers at their prettiest, and all nature joining to make this an ideal season of the year in Tennessee, one should have no trouble in spending a vacation or a few days sight seeing and in pleasure. The weather should be ideal, for June is one of the most pleasant months of the year in Tennessee. The average temperature for June, for the last year, was 71.1 degrees. During the days of the convention, June, 17, 18, 19, 20 and 21, the temperature for last year was as follows: June 17, 72 degrees; June 18, 78 degrees; June 19, 81 degrees; June 20, 77 degrees, and June 21, 75 degrees.

You Need Not Make a Blindfold Test When You Desire to Speed Up Credit Reports!

Let the Experience of Others Guide You

Lamson Brothers Co., Toledo, says:

"We have only words of praise for our Telautograph. In fact, we don't see how we ever got along without it now.

"One day last week we had one hundred and two applications on which we were waiting for reports. The clerks in the credit department were very busy with refer charges and other routine work. When we finally had time to check up on the Telautograph, we found that during the time we were so busy, sixty-seven of the reports had come to us. Had one clerk had to take them over the phone we should have had to have extra help in the department. We were also enabled to make deliveries from these Telautograph reports and did not have to wait until they came to us in the regular way.

"We feel that our Telautograph has been put to the most rigid test, as we have used it through our Anniversary Sale and our Removal Sale. During both events we opened an exceedingly large number of accounts.

"And now in the midst of our Christmas business, it is still giving 100% service."

**This Store has a Direct
TELAUTOGRAPH
Connection to
the Merchants Credit
and Adjustment Co.**



**Other Toledo Stores
with a similar service are**

**Meyer Jonasson
The B. R. Baker Co.
The Rainie-Barbour Co.
The LaSalle & Koch Co.
Stein's and
The Lion Dry Goods Co.**

All the Stores Named Are Enthusiastic Over This Service!

The Merchants Service Bureau Grand Rapids, says:

"In checking our records, we found that 50% of our telephone traffic was outgoing. This outgoing traffic was mostly the clearing of references and bringing reports up to date, and that one-half of this 50% was with our five large stores in which we installed the Telautograph equipment.

"It is now possible for our operators to clear references with these other stores and no longer wait several minutes at our end of the line. Under the Telautograph plan our operators can do other work while the store is looking up the necessary information for us. They, of course, can send us back this information without the help of an operator at our end as required by telephone."

The 5 Stores are

Charles Trankla & Co.

Herfolsheimer's Store

Friedman & Springs Co.

Wursburg's Store

**and Young & Chaffee
Furniture Co.**

ST. LOUIS AND KANSAS CITY BUREAUS AND STORES EXPERIMENTING NOW!

WRITE TO US FOR DETAILS — NO OBLIGATION OF COURSE!!

TELAUTOGRAPH CORPORATION

16 West 61st St., New York City

We Have 44 Branch Offices

Analyzing Accounts Receivable

The following figures are taken from letters received at the National Office, and given to members for what they may be worth as statistical information.

70% OF TOTAL SALES ARE CREDIT

It is our custom to make a general analysis of accounts receivable semi-annually, July 31st and January 31st, sometimes oftener and as I have just completed my analysis for January 31st, 1929:

Accounts 1 to 30 days old	53.04%
Accounts 1 to 2 months old	29.98%
Accounts 2 to 3 months old	7.56%
Accounts 3 months and over	9.42%

AN EASTERN DEPARTMENT STORE

Current	30.25%
30 Days	21.47%
60 Days	13.23%
90 Days	10.19%
120 Days	14.91%
6 Months and over	9.95%

In making any analysis of this kind, it must always be borne in mind that the credit policy and credit clientele of the store, from the credit standpoint, should be given consideration.

A NORTHERN DEPARTMENT STORE

Analysis as of August 1, covering a five year period.

Bal.	July	June	May	April	Older	
Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	
100	62.62	23.6	8.74	2.38	2.66	
100	62.5	24	9	3.5	1	
100	63	23	10	3	1	
100	63.5	24	9	2.5	1	
100	66	21	7	4	2	
	5 Mo.	4 Mo.	3 Mo.	2 Mo.	1 Mo.	Total
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.

Open

Accounts	11	59	45	57	82	69
Contract						
Accounts	15	32	36	48	10	13

Percentage of delinquency existing October 1, 1928, on total outstanding:

Open

Accounts	10.3	2.5	4.3	14	68.8	100
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Average Collection percentage for the year:

20.3	38.1	45.6	54.7	75.9	64.9
------	------	------	------	------	------

Average delinquent percentages on outstanding for the year:

9.2	3.6	7.0	15.5	64.1	100
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Comparing two years' collections, taken through March 11:

1929	16	25	29	28	55	42
1928	14	26	33	36	66	53

Collection percentage month of February:

1929	31	38	39	47	70	61
1928	28	48	49	47	77	63
1927	42	36	40	39	70	60
1926	38	46	31	50	62	56

AN ANALYSIS OF ACCOUNTS RECEIVABLE OF A GROUP OF EIGHT STORES LOCATED IN VARIOUS SECTIONS OF THE COUNTRY

Stores	One and Two Mos.	Three Mos.	Four Mos.
1	92.1	5.6	1.1
2	90.0	5.6	2.0
3	86.2	7.5	2.3
4	85.3	8.6	2.1
5	86.2	8.7	1.8
6	87.8	7.4	1.5
7	91.8	4.4	1.5
8	92.8	3.8	1.7

Five Mos.	Six Mos.	Prior	Atty. and Supt.
.4	.2	.3	.3
.5	.5	1.3	.2
.8	.7	1.7	.7
.9	.7	2.2	.2
1.0	.6	.7	1.0
.7	.6	2.0	
.5	.4	.8	.7
.4	.3	.5	.5

Nashville is Ready - Are You?

Send in your reservation NOW, for the best convention you have ever attended.



Are You Blindfolding Your Authorizers?

EVERYONE will admit that we don't do it for we know that charge authorizers must see what they are doing. To safely approve charge slips they must not be asked to take a responsibility that we would not assume—approve charge slips sight unseen—to take someone's word for the information that is best verified by actual sight.

It is only when the written record of sale—the salescheck—is brought to the authorizer by the Lamson Store System that she is protected against the uncertainties of the spoken word—that the “blindfold” is removed.

The Lamson man in your section will gladly tell you more about this positive method of authorizing credits. Your request will bring him to you.

THE LAMSON CO., SYRACUSE, N. Y.
Offices in Principal Cities



Authorizers are never in doubt as to the customer's name or the amount of sale where a Lamson System is used.

LAMSON STORE SYSTEMS

Speed Sales ~ Safeguard Profit

Washington Bulletin, National Retail Credit Association, April 1, 1929

By R. PRESTON SHEALEY, Washington Representative of the N. R. C. A.

FOREWORD

In last month's bulletin attention was directed to the possibility of there being some changes in the policies to be followed by the new Administration even though President Hoover belonged to the same political party as Ex-President Coolidge, due to the fact that they were characteristically different men. That this prediction was not amiss is borne out by recent announcements emanating from the White House. An almost entirely new Cabinet, withdrawal of public oil lands prospecting permits, and publicity for tax refunds are some of the more important changes. The indications are that more will follow from time to time. In connection with Cabinet changes, it is interesting to note that the new Postmaster General, Walter F. Brown, has sent a message to the 360,000 odd postal employees stating that the postal service is to be conducted in accordance with the principles and practices of successful, competitive business and industry, but without profits as the objective. The post Mr. Brown holds has always been referred to as being the dispensary for patronage. Those who know Mr. Brown's capabilities are looking forward to a new era in his Department, with the scrapping of such ideas as political support being the chief requisite for postmasterships, etc., and the remodeling of the Department so as to acquire the best results with a minimum of expenditure. Retail credit grantors are especially interested in the operation of the Post Office Department, since it is to this Department that they are largely looking for a favorable reaction from the conference with Third Assistant Postmaster General Regar on March 21st, at which Representative Clyde Kelly, of

Pittsburgh, was present, when the request was made on behalf of the National Retail Credit Association by the writer that the return receipts on registered mail should contain the address of the recipient, as well as his signature. The hearing at the Department developed some interesting facts, among others that three or four bills have been introduced at various times in Congress covering this subject but that they have never been reported out of the committees to which they were referred for consideration. An investigation, however, discloses that there is an increasing need for such a receipt since the introduction of the first measure by Senator Nelson, of Minnesota, in the 64th Congress, 1915, and that this demand does not come alone from credit grantors, but from various other lines of industry and endeavor, such as banks, public libraries, etc.

BANKING AND FINANCE

With Senator Carter Glass and others on the warpath it is becoming increasingly evident that the Senate will be the scene, in the coming extra session, of some interesting developments in regard to the Federal Reserve System. Senator King has indicated that he will introduce a resolution immediately on the convening of Congress calling for a thorough inquiry by the Banking and Currency Committee of the System. Undoubtedly, Senator Glass will introduce again his bill to increase the reserve balance required of member banks of the Federal Reserve System on their time deposits from 3 to 5 per cent. It is expected that if this bill is enacted into law it will remove about \$300,000,000 from speculative channels. As financial measures are of interest to credit men, some of the more important bills pending

before the House and Senate Banking Committees on March 4 last are listed as follows:

S. 667, S. 1140, S. 1573, S. 1574, S. 1706, S. 1993, S. 1994, S. 2854, S. 2899, S. 3024, S. 3508, S. 3684, S. 4175, S. 4486, S. 4523, S. 4534, S. 4577, S. 5302, S. 5349, S. 5567, S. 5571, S. 5572, S. 5723, S. 5695, H. R. 124, H. R. 226, H. R. 363, H. R. 408, H. R. 5572, H. R. 5576, H. R. 5700, H. R. 6068, H. R. 7187, H. R. 8727, H. R. 10764, H. R. 11066, H. R. 11199, H. R. 11689, H. R. 11806, H. R. 12349, H. R. 13070, H. R. 13153, H. R. 13173, H. R. 13849, H. R. 13937, H. R. 13978, H. R. 14000, H. R. 14058, H. R. 16133, H. R. 16275, H. R. 16823, H. R. 16930, S. Res. 21, S. Res. 113, H. Res. 336 and H. J. Res. 414.

DEPARTMENT OF COMMERCE

The Division of Domestic Commerce has undertaken a comprehensive inquiry into credit conditions with particular reference to the retail grocery industry in Philadelphia. Information will be obtained on the amount of capital with which the businesses were started, the length of time when the owner or owners were in business previously and the kinds of businesses in which they had engaged, the source of capital, the number of wholesalers who are supplying them on credit basis, the percentage of their sales made on credit, significant information on their credit losses, sources of credit information, etc. A similar survey has been under way in Louisville, Ky., during the past few months. A phase of the study which seems to promise especially pertinent facts is a study of the causes of failure of grocery stores which are in the bankruptcy courts at the present time and a number of others which have gone through bankruptcy courts. A sim-

ilar analysis will also be made of the failures of stores whose affairs have been settled outside of the courts. When this study is completed, it is hoped to make similar studies in other lines of retail trade, though neither the city, nor the lines to be studied have been definitely determined.

MECHANICS' LIENS

The Standard State Mechanics' Lien Act Committee of the Department of Commerce announces that a meeting of the committee will be held in the very near future to consider the suggestions received in response to the second tentative draft of the act which was mailed to thousands of people throughout the country. These suggestions after being compared and classified are quite numerous. Building material credit managers, particularly those in the Southern States, are familiar with one of the suggestions that will be considered, i. e., the proposed draft of the act which was made public about six months ago by the Southern Builders Supply Association. These suggestions, together with any new comments that may be offered will be given consideration at the meeting of the committee.

It is worthy of note that in the winter and spring meetings of the state legislatures, some of which have already adjourned, no general revision of state mechanics' lien laws have been attempted, the evident thought being to wait the adoption of a standard mechanics' lien law.

The Division of Domestic Commerce announces that in a questionnaire survey recently completed by the School of Business Administration, University of Oregon, the following reasons were assigned for ceasing to deal with individual grocery, drug, or dry goods stores:

Cause for	Percentage of
Making Change	Replies
High prices	14
Delay in store service	10
Poor quality of goods	10
Indifference of sales people...	9
Haughtiness of sales people...	7
Errors	7

Overinsistence of sales people.	6
Attempted substitution of	
goods	6
Tricky methods	6
Store arrangement or	
appearance	6
Wrong policies of management	6
Misrepresentation of goods...	5
Reluctance to exchange goods.	4
Ignorance of goods	3
Poor advertising	1

Total 100

It appears from the above that poor salesmanship was blamed in 48 per cent of the cases, if "errors" are assumed to be the fault of sales people, and managerial policy and methods in 41 per cent, exclusive of unfair trade practices, which accounted for the remaining 11 per cent.

COMPTROLLER GENERAL

Government shipments handled by the Railway Express Company, Inc., are subject to land-grant deductions when transportation is over land-grant railroads according to a ruling of Comptroller General McCarl. The ruling holds that under the plan of operation of the Railway Express Company, Inc., there appears to be no reason why, in so far as concerns land-grant deductions from express charges, the corporate entity of the express agency should not be disregarded and the matter treated as if the express services actually were performed by the land-grant railroads instead of through the agency of the express company.

CENSUS BUREAU

Due to the failure by Congress to pass H. R. 393 during the session just concluded, the Bureau of the Census announces that the proposed census of distribution, provided for in that bill, will have to be abandoned. However, should Congress provide for this work by passage of a bill at the special session the Bureau will be ready to undertake it in 1930, according to Director Steuart.

RESALE PRICE MAINTENANCE

Representative Clyde Kelly, of Pennsylvania, has announced that he proposes to introduce a bill in

the 71st Congress which will be designed to legalize resale price maintenance "for the protection of trade-mark owners, distributors and the public against price cutting" and that there appears to be excellent prospects of it being enacted into law. A similar measure is to be sponsored in the Senate by Senator Capper, of Kansas, according to Mr. Kelly.

SUPREME COURT DOCKET

The Supreme Court of the United States has under consideration, after hearing oral arguments and receiving printed briefs thereon, about forty cases. When it reconvenes on April 8, it is expected that decisions may be handed down on several of them. Among the more important cases is that in which the Court has been called upon to pass upon the power of the President to defeat the enactment of a bill, passed by both houses of Congress, by means of a "pocket-veto." It is contended that while the President has this power in connection with a bill which comes to him at the end of any particular Congress, such is not the case

Turn to page 32, please

COLLECTIONS

Your collections in
SOUTH DAKOTA

will receive prompt attention if sent to the collection department of the

Associated Retailers
CREDIT BUREAU
Pierre, South Dakota

Reasonable Rates
Regular Reports

The Associated Retailers
CREDIT BUREAU
P.O. Box No. 34

Pierre, South Dakota

Credit Reports - - - Collections

Make Reservations Now!!

The 17th Annual Convention
National Retail Credit Association

Nashville, Tennessee
June 18 - 21, 1929

Special Railroad rate of Fare and One Half to all members and their families.

Four days of Credit Education.

A week of Entertainment.

Take your Vacation during the week of June 17th.

Tell us what reservations you desire, so the Nashville Committee will give you *personal attention*.

Don't Wait Until the Last Minute

National Retail Credit Association

Executive Offices - St. Louis, Mo.

Common Sense and Credit

(Continued from page 5)

and then "worry it out." Sometimes the worrying process is pretty well drawn out. The pay-cash basis makes one more careful and more conservative about how he spends his money, and in reality reduces the consumption of the individual unit, while time-pay increases individual consumption, and adds the natural credit hazards.

Now folks—getting back again to the real basis of this story—that of Common Sense and Credit. In my past personal experience, both in relation to my own human problem, and in calling upon others in collection matters, I have found these facts to be invariably true in each case:

—if, when the customer applies for credit, he were given to understand, in a nice plain human way, that his account must be entirely or largely paid on a certain definite date, and that same customer were notified several days before that date, and then pressed a little until he paid, his account would always be in good standing.

—if, a customer has had some unfortunate circumstance beyond his control, the merchant would have a heart to heart talk with this customer, determine what his present earning is, and then arrange a certain definite payment, to be made at a certain definite time, the customer would pay that bill just as regularly as he ate his meals, because it would be a current matter, on his mind at all times.

—if, a customer were reprimanded immediately upon his failure to meet an obligation, and a collector sent, or a phone call made, his conscience or his natural desire to protect himself would cause him to find the means of meeting his obligation.

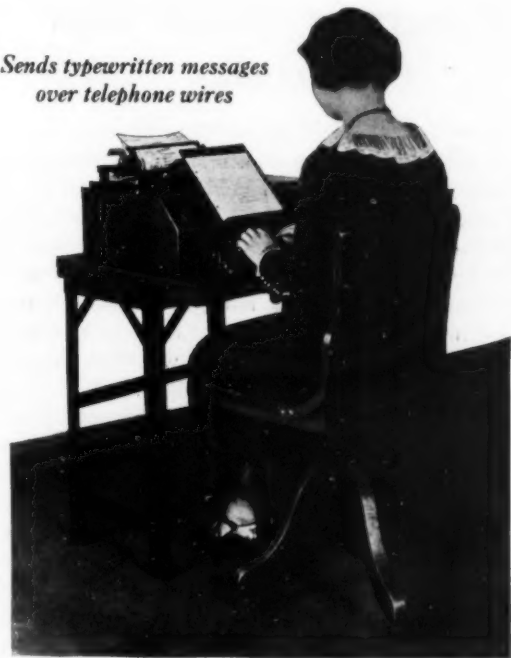
—if, a merchant would set a definite credit limit, per customer, and stick invariably to that limit, regardless of his regards for that customer, his accounts would always be kept in better shape. If you set your credit limit at \$60, make it that and keep it there. When a customer gets to \$60.35, they either pay the 35 cents cash or they do not get the goods.

—if, a merchant who has had a customer leave him with an outstanding account, would call upon that customer and endeavor as far as possible to reason with them, urge them to pay just a small amount, or whatever they can, but DO IT REGULARLY, many old accounts could be cleared up.

Mr. Merchant, that money is yours! You have given your full quota to charity! You cannot afford to give that amount away without depriving your family, your business and your self of your own needs. Get after 'em; keep after 'em, but do it systematically.

Turn to page 26, please

*Sends typewritten messages
over telephone wires*



The Telephone Typewriter

is employed by Saks & Company to exchange credit information between their two New York stores

Saks & Company, whose two great stores serve New York's millions, are enthusiastic users of Teletype... the Telephone Typewriter. They say:

"The records of all our accounts are kept at the 5th Avenue store. If a customer applies for credit at the 34th Street store, a telephone typewriter request as to the standing of the account is sent to the 5th Avenue store.

"The records are immediately looked up and the 34th Street store is notified. This saves the salesman a great deal of time as, after he has sent for the desired information, he goes about making whatever sales the customer desires. By the time he is finished the necessary information is waiting for him on the telephone typewriter."

Because Teletype transmits information in typewritten form, it is particularly well adapted to credit work. Figures and peculiar names and addresses are recorded so legibly that misunderstandings are impossible. As the sender sees what is being printed by the receiving machine, errors in transmission seldom occur.

Every department store and credit bureau should investigate the time and money saving possibilities of Teletype... the Telephone Typewriter. Address the Teletype Corporation (formerly Morkrum-Kleinschmidt Corp'n) 1400 Wrightwood Ave., Chicago.

TELETYPE

THE TELEPHONE TYPEWRITER

Common Sense and Credit

(Continued from page 25)

I have never failed to collect a bill yet, which I claim is a good streak of luck. A few years ago I was interested in a mail order business. One party stepped out leaving a very good sized account unpaid. I turned over one stone at a time, until I finally found the one under which he was hiding. I thoroughly impressed him with the importance of his debt, and with the fact that so long as he lived he would be charged with that debt and pressed with it. I carefully studied his business conditions and relations. I knew him to be broke at the time, but I kept careful track of him for three long years, until he finally "arrived" at a good position, and after placing him on a definite pay basis I finally received the amount due plus the interest. The moment one of our association members hands me a "hopeless" account I figure out the interest and tack it on the account. If you are going to collect you might as well collect the interest. When a person intentionally dodges an account he should pay and pay it all. There will be enough loss in the cost of collecting, without losing the interest on that money too.

I sincerely believe that 999 out of every 1,000 accounts are collectable. No person living can afford to have a persistent parasite of an unpaid account following him. I sincerely believe that the greatest percentage of the percentage of credit loss is traceable directly to the apathy of a paid trained employee. After a few usual stock reminders and demands are sent out, and a collector with nothing on his mind but his hat, returns with the report that "Party has moved; whereabouts unknown," and after the account is then duly reported to the credit association, it is filed and charged off as a loss. Thousands of such accounts could be traced, with mighty little detective work and ingenuity and eventually collected. I sincerely believe that if firms who employ collectors at \$18 per month would spend another quarter for a tin star, and puff the collector up with the fact that he is not a "collector" but a "private detective" for the store, he would be so thrilled and so anxious to locate the culprit that in nine cases out of ten he would actually trace the account down and even effect a collection. Of course private detectives are only needed by stores affording cheap help in collections.

In winding up let me tell you one further experience and then—as the great speakers always say—"I'm through."—I had a certain note falling due every three months. It was my policy to pay something on the principal and then renew the note for the balance. This was the agreement I had made with the noteholder. It so happened that the note was arranged to fall due at the time I made my usual payments, but very strangely I never received a notice of any kind.

I went on as I have previously described, paid my current bills and had provided the usual "safety fund" for incidental expenditures. Then lo and behold, several days later I would receive an urgent special delivery letter from the noteholder that my note had not been paid or renewed, that the bank had deducted the amount from his bank balance, and that he was greatly embarrassed. Of course I had completely forgotten it in the stress of trying general conditions. So I had to bustle about, get a new note, squeeze in a payment that would have been comfortably taken care of, and send it by special delivery, in most instances to have it returned because I had figured the interest wrong or written the wrong date, or some other fool thing.

After this trying condition happened several times I finally, after much pleading, got the noteholder to have his bank issue a regular notice, five days before due date, including a blank note to be signed by me and returned with my payment, with the result that there was never any further trouble. I pay the note up earlier than I expected, always a day or two in advance, without any further embarrassment to any of us.

Really, Mr. Merchant—how can you expect a person to pay their bill if you shuffle along and then in a half-hearted way whisper something about it a week or two after it is due? It's a business transaction; why not talk about it frankly and nicely? The moment you see a salesman enter your door, up goes your guard, and you spar around to a finish,—but, the minute a customer enters who owes you a neat bill, you sneak around behind the counters, hide your face, and fear lest you make them angry. Make 'em angry, if you have to, to get your own money. It often takes a good fight to get down to a fair basis. Treat 'em right, and get your money too!

Credit Department Forms

(Continued from page 14)

Ledger Sheets, Statements, etc., will vary too much according to accounting methods of different firms to discuss in a talk at this time.

Chattel Mortgage forms are well defined and will vary according to business.

Nashville is ready—Are You?

Send in your reservation NOW, for the best convention you have ever attended.

Lincoln Credit Organization Celebrates Fortieth Anniversary

ON March 12, 1889, a group of business men of Lincoln, Nebraska, met and organized the Nebraska Credit Company, which has for forty years continuously served the merchants of Lincoln.

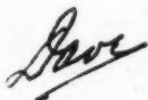
Few Retail Credit Organizations can boast a continuous service record covering so long a period. Few can claim the whole-hearted support of the Retail Merchants of the community as can the Nebraska Credit Company of Lincoln.

The secret of the success of the Nebraska Credit Company was the dedication of its officers to service, which could not be excelled and the vision to co-ordinate the Reporting Bureau efforts with the changing needs of the Credit Manager.

It was fortunate that twenty-five years ago Mr. Max Meyer became identified with the service of the Nebraska Credit Company. He is a man of exceptional ability as a Credit Bureau Manager and has been a leader in the Councils of the National Association, as well as a promoter of complete harmony among the Retailers of Lincoln.

Max Meyer is a member of the Old Guard, a charter member of the National Retail Credit Association, a man who, while operating a Private Owned Bureau, realized the first duty of a Local Credit organization is to render the service the Merchants demand and as a result he has the whole-hearted support of every worth-while Retailer in Lincoln. He has built his organization from a mediocre Reporting Agency to one making 225,000 ratings per year, 2,000 Credit Reports per month. He has consistently added new equipment and systems to meet the requirements of increased Credit extension.

The officials of the National Retail Credit Association extend to the Nebraska Credit Company, and to Mr. Max Meyer, its most hearty felicitations on its fortieth birthday, and wish you continued success.



OFFICIAL NOTICE

Conforming with the By-Laws of the National Retail Credit Association, official notice is here given to all members, that the Annual Convention of the organization will be held in the city of Nashville, Tennessee, on June 18-19-20-21, 1929, and at this Convention the annual election of officers will take place the third day (June 20).

The officers to be elected are as follows:

President

First Vice-President

Second Vice-President

Six Directors—Five by expiration of term and one because of vacancy on board filled by the Board at meeting in Kansas City in June, 1928.

The officers whose term expires are President, James R. Hewitt, Baltimore; Vice-President, Justin H. Edgerton, New York, and Directors:

J. E. Ziegelmeyer, Texas.

E. J. Dollard, California.

Chas. Martin, Massachusetts.

F. E. Parker, Michigan.

R. J. Puckett, Kansas.

*W. R. Bryan, Kentucky.

*Mr. Bryan was elected by the Board of Directors to fill the vacancy created by the resignation of Mr. Talkes of Washington, whose term did not expire until 1930.

Every member is entitled to vote, either in person or by proxy, duly registered with the Credentials Committee.

The Nominating Committee will be appointed by the President on the first day of the Convention and all members have the privilege of appearing before this Committee for presenting endorsements of any candidate for office.

Nashville is Ready—Are You?

Send your reservation now, for the best convention you have ever attended.

Flashes

From the National Office

CREDIT WOMEN OF CLEVELAND ORGANIZE

Newest addition to the list of Cleveland's business women organizations is the Woman's Credit Club, which announced recently the results of election of officers held at its organization meeting.

Miss Catherine Doody, department manager for the Cleveland Retail Credit Men's Association, was named president; Miss Helen Hawk of the credit department of the Halle Bros. Co., secretary, and Miss Daphne DeHart, credit manager for the Webb C. Ball Co., treasurer.

The Woman's Credit Club is formed as an auxiliary to the Credit Men's Association.

"The purpose of the club," Miss Doody explained, "will be to disseminate credit ideas, train newcomers in credit work, and provide social contact designed to bring together women of congenial tastes and similar business ideals. The club will provide a meeting ground for the women doing credit work for the 2,700 or more members of the Credit Men's Association."

DEWEY GEORGE GOES TO ASHEVILLE

Dewey W. George, for years Secretary and Treasurer of the Retail Credit Association of Knoxville, Tennessee, has resigned that position to become Manager of the Asheville Merchants Association about April 15.

Mr. George made an excellent record in Knoxville, developing an efficient Credit Bureau and bringing together the Retailers in an efficient organization. The merchants of Knoxville expressed much regret at losing him, but realized he was only leaving because of the desire to go into fields presenting greater possibilities.

A. C. BITTLE SUCCEEDS GEORGE

Mr. A. C. Bittle, of the City National Bank of Knoxville, Tennessee, has been elected Secretary-Treasurer of the Retail Credit Association of Knoxville, to succeed Mr. Dewey George, who goes to Asheville, North Carolina, as Manager of the Merchants Association.

Mr. Bittle has been a Director of the Knoxville Association for years and is thoroughly familiar with the requirements of his city. He is live, aggressive, and has every qualification for a successful leader.

BRING THE LADIES TO OUR CONVENTION

Mrs. R. H. Poindexter, as Chairman of the Ladies' Committee of the National Retail Credit Association Convention at Nashville, advises her Committee, composed of the wives and daughters of the leading business men of Nashville, have arranged a wonderful program for entertaining the visiting ladies while the Convention is in session. Sightseeing Tours, Receptions, Teas, Bridge, Golf, will make time fly. In the evening, of course, the ladies attend the features arranged for the entire membership.

Bring the ladies and remember they are entitled to special railroad rates, if you ask for a Certificate when you purchase your ticket.

DAVE.

SPOKANE RETAIL CREDIT ASSOCIATION USE RADIO FOR PROMPT PAY EDUCATION

The Associated Retail Credit Men of Spokane, Washington, have arranged with Radio Station KGA and the Spokane Chronicle for broadcasting a series of talks on the value of paying bills promptly. This plan was given a try-out last year and proved so effective it was arranged to go into it more extensively.

OAKLAND CALIFORNIA, NOW HAS 308 NATIONAL MEMBERS

Through the persistent efforts of Mr. S. E. Shermantine, Secretary-Manager of the Retailers Credit Association of Oakland, California, and the vision of the Board of Directors of that organizations as to the value of the National Retail Credit Association to every Retailer, the entire membership (308) of the Retailers Credit Association have become National members, making Oakland one of the largest Local Associations in the National body.

The Annual Conference of California Credit Bureau Managers will meet in Oakland, April 19 and 20.

Your Collections

...in...

Detroit

Will receive the best attention possible if sent to

**The
Merchants Credit
Bureau, Inc.**

The largest collection department in the city devoted exclusively to RETAIL ACCOUNTS.

The benefits accruing in placing your accounts with an organization owned by the merchants, for their protection, are self-evident.

**Rates Reasonable
Safety Assured**

**Address:
MERCHANTS BLDG.
206 E. Grand River Avenue**

LOUISVILLE ASSOCIATION PRESENTS GAVEL AND BLOCK TO NATIONAL ASSOCIATION

The Retail Credit Association of Louisville, Kentucky, have presented a handsome inlaid gavel and block to the National Association for use at the Nashville Convention.

This gift has added interest because it was made by National Director W. R. Bryan, who in addition to being a Credit executive, is also an expert woodworker, and relaxes from a hard day at the office by running a lathe and piecing together many kinds of wood in artistic designs.

Lyon Metal Products, Inc., Aurora, Ill., has improved the cabinet line known as "Durand." These include wardrobe and storage cabinets and a cabinet for the small office affording space for clothing, office or janitor's supplies, etc.

The frame is welded at all four corners so as to form a one-piece construction.

The doors are reinforced and are protected by a three-point locking device controlled by a flat key lock. When doors are properly locked, contents are safe from petty thievery. Cabinets are finished with two coats of green enamel baked on to withstand hard use.

THE NORTHWEST CONFERENCE OF THE NATIONAL RETAIL CREDIT ASSOCIATION, WENATCHEE, WASHINGTON, MAY 20 AND 21.

An annual event of great importance to the Retailers of Washington, Oregon and Idaho is the Northwest Conference of the National Retail Credit Association, which will be held this year in the city of Wenatchee, Washington, on May 20 and 21.

Conference President, E. V. Jensen, who is also President of the Wenatchee Business Men's Association, has prepared a program that will make this a most profitable meeting for any Retailer or Credit Manager.

National Director R. E. Westberg of Seattle, Past National President Ralph Watson of Spokane, and Association leaders from Seattle, Portland, Tacoma, Boise and several Canadian cities will be on the program. Every Credit Granter in the Northwest should attend.

CLAYTON J. ALLEN RESIGNS FROM MANDEL BROTHERS

Clayton J. Allen, who for the past two years has been General Office Manager of Mandel Brothers, Chicago, has resigned, to take effect April 15.

He expects to take a much needed vacation and spend the summer at his home, Velvet Beach, Merrifield, Minnesota.

Mr. Allen is one of the best known credit executives in the country, a charter member and organizer of the National Retail Credit Association. For years he was Credit Manager of Young & Quinlan, Minneapolis, and President of the local Credit Association in that city.

He then became Credit Manager of B. Nugent & Brother in St. Louis, and also President of the Associated Retail Credit Men of St. Louis.

He has been active in the councils of the National Retail Credit Association, serving on many important committees.

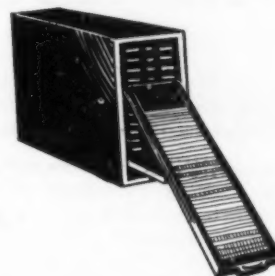
He has not as yet planned for his business connections, which he intends to resume next fall.

WOODLOCK IN CALIFORNIA

D. J. Woodlock, Manager-Treasurer of the National Retail Credit Association, will spend the month of April in California, attending a series of meetings, beginning April 13, with a Conference of California Credit Bureau Managers at Pasadena and ending with a Conference of the Credit Managers of the State at Oakland on the 19th and 20th. Stops for noon and evening meetings will be made at many points.

Turn to page 32, please

FOR SALE



**25 Used Kindex Cabinets
\$55.00 each. F. O. B.
Grand Rapids, Mich.**

**Holds 950 cards 6x4 Olive
Green. A-1 condition.
Would cost \$114.00 new
to-day.**

MERCHANTS SERVICE BUREAU
Grand Rapids, Mich.

Chicago Collections

Should be sent to the

Credit Service Corporation

Collection Department of
the Chicago Credit Bureau,
Inc., and Credit Reference
Exchange, Inc.

The Official Credit Reporting
Service of the

**Associated Retail Credit
Men of Chicago**

35 So. Dearborn St.
Chicago, Ill.

Telephone, Randolph 2400

Credit Reports Collections

Auditors Verification of Accounts Increase Collections

The following form of Auditor's Verification of Account has been used successfully by some of our members in closing long past due balances.

With each form is a return envelope addressed to the Auditor, and the percentage of those who include a check in their reply indicates a large majority of customers desire to stand well with the Auditors.

Verification of Accounts

....., 192.....

At the close of business on.....
the books of the SMITH, JONES & BROWN CO.
showed your indebtedness to that company in the sum of

..... Of this
amount there now remains unpaid a balance of.....

.....for the month of.....
If this is not in accordance with your records, or if
for any reason the account cannot be paid promptly,
please call on us in person bringing this letter or write
your reply on this letter and mail to us.

Otherwise the account will be considered correct as
rendered. THE SMITH, JONES & BROWN COM-
PANY will appreciate prompt remittance of any past
due balance at this time, so that the account will not ap-
pear in arrears when our.....annual statement
is rendered.

For your convenience, a stamped addressed envelope
is enclosed for remittance or reply.

Thanking you for your co-operation at this time, we
are,

Yours very truly,

AUDITOR,

Smith, Jones & Brown Co.

P. S.: The above is not a request for payment of pur-
chases made since.....which become due.....

Man 39 years of age—married and has family—ac-
countant and auditor for past 15 years. For past six
years has been combination auditor and credit manager
for large retail store in middle southern state. In pres-
ent position for past two and one-half years, but wish to
make a change. Address Box F—Credit World.

"Retail Credit Practice"

The Latest and Best Book Covering Every Angle of Retail Credit

Seven hundred members of the
N.R.C.A. have purchased this book
and all agree it should be on the desk
of every Retail Credit Manager.

The authors, John T. Bartlett and
Charles M. Reed, explain in a simple
and interesting way present day
methods for increasing efficiency,
eliminating loss and promoting in-
creased sales.

The Price is \$4.00 per Copy

Order from

National Retail
Credit Association

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REGISTER NOW!!

for

The 17th Annual Convention of

National Retail Credit Association at

Nashville, Tenn., June 18-19-20-21

Register Now—Avoid Confusion

Mail to Registration Committee, 606 Equitable Bldg., St. Louis, Mo.

FILL IN THIS FORM AND MAIL TO NATIONAL OFFICE

Date.....

Member's Name

Firm Name

Address City State

Group Conference
(Indicate here what conference you desire to attend, as Dept. Store, Hardware, Clothing, Etc.)

Guests Accompanying

HOTEL RESERVATIONS

Hotel.....

—Single or Double Room—

With or Without Bath

Rate \$.....

Signed.....

Will Arrive.....

Registration Fee, \$10.00, Including Ticket For Banquet

HERMITAGE HOTEL

Single \$2.50, 3.00, 3.50, 4.00, 5.00
Double, \$4.00, 4.50, 5.00, 6.00, 7.00

SAM DAVIS HOTEL

Single, \$2.50—Double, \$4.00

ANDREW JACKSON HOTEL

Single \$2.50, 3.00, 3.50, 4.00, 5.00
Double, \$4.00, 4.50, 5.00, 6.00, 7.00

Flashes

(Continued from page 29)

"TO ALL COLLECTORS"

Altho you may be fair as dawn—
And graceful as the gentle fawn—
Eyes like violets bright with dew—
I hate the very sight of you!
Your voice may be a soft sweet
tune

And lovely as a night in June—
A godlike creature you may be—
But you are poisonous to me.
I hate your looks, your voice, and
oh

I itch to tell you where to go—
But I'll just pray that some sweet
day

There'll be a bill that you can't
pay.

And that a tribe of preying snoops
Will haunt your door in harping
groups

And that you'll know no peace
until

You pay that d—— past due bill.

—Contributed by L. L. Meyer,
Houston, Tex.

IRVING-PITT ANNOUNCES NEW VI-DEX

The latest addition to the field of visible record keeping is offered by the Irving-Pitt Manufacturing Company in its new Prong Binder Vi-Dex. This book—designed to take care of visible records in large quantities—completes the Vi-Dex family.

The first feature of the new Prong Binder Vi-Dex is its absolute simplicity. One quick touch of the finger on the operating lever is the only mechanical operation necessary in the whole process of using the book, all others being automatic. When the book is open the records lie flat for reference. A push of the lever opens the book still further, automatically arranging the records on a flat surface for writing. Third position throws the prongs open for the insertion, removal or rearrangement of sheets. The simple act of closing the book automatically locks the sheets back into the first position.

The Vi-Dex Transfer Shift Bar is an interesting feature of the new device. It enables the user to transfer an entire bank of sheets at one operation without rearranging them individually.

Another welcome feature is the hydroiloid paper stock of the sheets. Colored crayons may be effectively used on this stock for signalling purposes and later erased without affecting the surface of the paper. Celluloid and metal tabs are also used to supplement an unusually complete indexing system.

SNAPPY FILLERS FROM "CREDIT ECHOES"

A lot of people who are "keenly conscious of their accounts" seem to be unconscious as far as payment is concerned.

When you dun a customer who paid his account the day before, and you get a curt letter, and you phone to apologize, and he says, "That's all right, old man, I know, I am in the same business myself," "Ain't It A Grand And Glorious Feeling"?

In paying many accounts, the Spirit is willing but the Bank Account is weak.

Customers' Motto: When In Doubt, Ask For An Itemized Bill.

Washington Bulletin

(Continued from page 23)

where a bill comes to him for his signature at the end of the first session of a Congress. Should the Court uphold this contention, which is supported by Senator Norris, Chairman of the Senate Judiciary Committee, it would give validity to the act passed at the end of the first session of the 70th Congress relating to Muscle Shoals, as well as many other acts which Ex-President Coolidge failed to sign. Two other cases of importance are those involving the question as to whether a Congressional Committee has the power to compel a wit-

ness to answer questions on subjects which are then the basis of litigation in the Federal Courts—the Sinclair case, and the Five Cent Fare case, dealing with the questions of whether the fare to be charged on the city-owned subways of New York City should be five or seven cents.

COURT DECISIONS BANKRUPTCY

The Circuit Court of Appeals for the Third Circuit has recently rendered a decision in the case of Rash, bankrupt, vs. Metzger, upholding the action of the District Court in revoking a discharge in bankruptcy upon a finding that while no fraud existed there was a lack of notice to the creditors of the bankrupt. It was disclosed at the hearing that only 6 of the 81 creditors listed in the schedules were given with street numbers, the addresses of the others being merely by the names of cities such as Chicago, Pittsburgh, New York, etc., and that 18 of the creditors had not received the notice. The bankrupt contended that the District Court, sitting in bankruptcy, could only revoke a discharge on a finding of fraud.

In the case of Amick et al. vs. Mortgage Security Corporation of America et al., the Circuit Court of Appeals for the Eighth Circuit upheld the action of the District Court in denying the right of creditors to appeal from a ruling of the referee in bankruptcy in their own names. In dismissing the appeal the court held that the trustees, as representatives of all the creditors, may appeal from the referee's order, and if he refuses to appeal the objecting creditor may move the District Court to direct the trustee to take an appeal as requested, or to permit the creditors to prosecute an appeal in the name of the trustee, but the granting of such leave is in the absolute discretion of the District Court, and the decision of the District Court is not appealable.

